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IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA,
IN AND FOR THE COUNTY OF SANTA BARBARA.

EMILY HALL SPRECKELS,

Plaintiff,

vs. No. 32073

ADOLPH B. SPRECKELS,

Defendant.

DEPOSITION OF WILLIAM I. ARMSTRONG, TAKEN BEFORE MARY A. LAFACHET, A NOTARY PUBLIC IN AND FOR THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, FRIDAY, DECEMBER 6, 1940

Clerk of the Superior Court of the County of Santa Barbara,

Santa Barbara,

California.

REGISTERED
No. 756108

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA,

IN AND FOR THE COUNTY OF SANTA BARBARA.

[illegible] GIRARDELLI,

Plaintiff,

vs. (No. [illegible])

[illegible] E. GIRARDELLI,

Defendant.

DEPOSITION OF

WILLIAM T. ARMSTRONG,

TAKEN BEFORE MARY A. MAPACHET, A NOTARY PUBLIC IN AND FOR THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA,

TUESDAY, DECEMBER 6, 1910

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IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA,

IN AND FOR THE COUNTY OF SANTA BARBARA.

EMILY HALL SPRECKELS,

Plaintiff,

vs. No. 32073

ADOLPH B. SPRECKELS,

Defendant.

BE IT REMEMBERED, that pursuant to oral stipulation between counsel for the respective parties, and on Friday, the 6th day of December, 1940, commencing at the hour of 11:15 o'clock A. M. thereof, at Room 1733, One Eleven Sutter Building, No. 111 Sutter Street, San Francisco, California, before me, MARY A. LAPACHET, a Notary Public in and for the City and County of San Francisco, State of California, personally appeared

WILLIAM I. ARMSTRONG,

who, being by me first duly sworn, was thereupon examined and interrogated as a witness in said cause.

Messrs. SCHAUER, RYON & McMAHON, and Messrs. ROSENSHINE, HOFFMAN, DAVIS & MARTIN, represented by HARRISON RYON, Esquire, JACOB H. HOFFMAN, Esquire, and ROBERT W. McINTYRE, Esquire, appeared as attorneys for the plaintiff; and WALTER SLACK, Esquire, appeared as attorney for the defendant.

It was stipulated between counsel for the respective

parties that the Notary Public, after administering the oath to the witness, need not remain further during the taking of this deposition.

It was further stipulated that the said deposition should be reported in shorthand by HAROLD H. HART, a competent official shorthand reporter and a disinterested person, and thereafter transcribed by him into longhand typewriting, to be read to, or by, the said witness, who, after making such corrections therein as may be necessary, will subscribe the same.

MR. RYON: Show the appearance of the defendant in this matter through Walter Slack, and the appearance of the plaintiff through Harrison Ryon, for Schauer, Ryon & McMahon, together with Robert W. McIntyre; and as of counsel for plaintiff also show Mr. J. H.Hoffman of Rosenshine, Hoffman, Davis & Martin.

It is hereby stipulated by and between the said counsel for the plaintiff and counsel for the defendant that the deposition of William I. Armstrong may be taken before Mary A. Lapachet, a Notary Public in and for the City and County of San Francisco, State of California, on this 6th day of December, 1940, at the hour of 11:15 o'clock A. M.; and that when so taken, the questions and answers therein contained may be introduced in evidence by either party subject to the objections only of relevancy and materiality; all other objections of every kind, nature and form being waived. Is that correct?

MR. SLACK: That is all right.

MR. RYON: And that it may be further stipulated that after the Notary, the said Mary A. Lapachet, has sworn the witness, she may leave the room, subject to recall by either counsel.

WILLIAM I. ARMSTRONG,

being duly sworn by the Notary Public to tell the truth, the whole truth, and nothing but the truth, testified as follows:

EXAMINATION BY MR. RYON:

Q. What is your name?

A. William I. Armstrong.

Q. You are the Secretary-Treasurer of Monarch Investment Company? A. Yes.

Q. What are your duties as such Secretary-Treasurer?

A. I have charge of the books and records of the Company.

Q. Do you personally own any stock in Monarch Investment Company? A. No.

Q. Are you familiar with all of the affairs of Monarch Investment Company? A. Yes.

Q. How long have you been familiar with the affairs of Monarch Investment Company? A. Thirty years.

Q. How long have you been connected with Monarch Investment Company? A. Thirty years.

Q. Are you familiar with the books and records of Monarch Investment Company? A. Yes.

Q. What classes of stock has Monarch Investment Company?

A. One class of stock only - common stock.

Q. Do you know what is the reasonable market value of the stock of Monarch Investment Company? A. Yes.

Q. What is the value of the stock per share?

A. Approximately $3.74 - the net worth of the Company is approximately $1,858,625.

Q. What is the outstanding number of shares of stock?

A. 496,862.

Q. What was the value of the stock per share on or about September 7, 1940?

A. The same - approximately $3.74 per share.

Q. Do you know what the net earnings of Monarch Investment Company were for the year 1939?

A. Yes.

Q. What were they per share of stock outstanding?

A. Approximately $.159 per share - the total net earnings were $79,055.58.

Q. Do you know what the consolidated net earnings of Monarch Investment Company are for the year 1940 to date?

A. Yes.

Q. What are such earnings for the year 1940 to date per share of stock outstanding?

A. Approximately $.064 per share to October 31, 1940 - the total net earnings to October 31, 1940, were $31,650.27.

Q. Do you know the amount of the surplus of Monarch

Investment Company to this date?

A. There is not any surplus - there is a deficit.

Q. What is the amount of the deficit?

A. $217,923.54.

Q. Was the amount of the deficit the same on or about September 7, 1940? A. Yes.

Q. What dividends per share have been paid from January 1, 1939 to date by Monarch Investment Company?

A. In 1939 dividends aggregating $.1577 per share, and in 1940 dividends aggregating $.155 per share, of which amount $.09 were paid from capital.

Q. Generally, what are the assets of the Monarch Investment Company composed of?

A. They are composed of some stocks and bonds, and a ranch up at Napa - a small ranch up there - and a piece of property in Oakland, and in Portland, and some oil lands in Kern County. The bulk of stockholdings of the corporation consist of 67,307 shares of Matson Navigation Company stock.

Q. How many shares of stock of the Monarch Investment Company does Mr. Adolph Spreckels own?

A. 74,477 shares.

Q. How many shares did he own on or about the 7th day of September, 1940? A. The same number. No change.

Q. Are any shares of stock in the Monarch Investment Company held by a trustee for Mr. Adolph Spreckels?

A. Yes, 8333-1/3 shares are so held.

MR. RYON: I think that is all.

MR. SLACK: No questions.

William Armstrong

STATE OF CALIFORNIA,)
) ss.
CITY AND COUNTY OF SAN FRANCISCO.)

I, MARY A. LAPACHET, a Notary Public in and for the City and County of San Francisco, State of California, do hereby certify:

That the witness in the foregoing deposition named, WILLIAM I. ARMSTRONG, was by me duly sworn to testify the truth, the whole truth, and nothing but the truth, in the within-entitled cause; that said deposition was taken at the time and place therein named; that the testimony of said witness was taken down in shorthand by HAROLD H. HART, a competent official shorthand reporter and a disinterested person, and by him thereafter reduced to longhand typewriting, under my supervision, and when completed, was carefully read by, or to, the said witness, and, being corrected by him in every particular he desired, was by him thereafter duly subscribed.

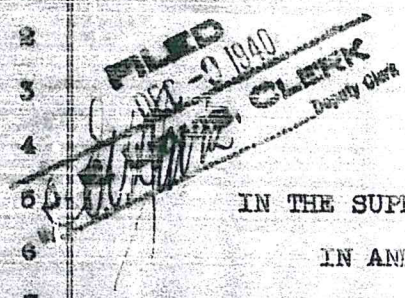
And I further certify that I am not of counsel or attorney for either of the parties to said deposition, nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office, this 6th day of December, one thousand nine hundred and forty.

Mary A. Lapachet

Notary Public in and for the City and County of San Francisco, State of California.

MY COMMISSION EXPIRES JULY 8, 1941



IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SANTA BARBARA

EMILY HALL SPRECKELS,

Plaintiff,

vs.

ADOLPH B. SPRECKELS,

Defendant.

No. 32073

ANSWER

Comes now the defendant, Adolph B. Spreckels, and answering the complaint of plaintiff herein, admits, denies and alleges as follows, to-wit:

I.

Answering the allegations of paragraph I, this defendant admits that plaintiff is now a resident of the County of Santa Barbara, State of California; answering all allegations of said paragraph not hereinabove expressly admitted, this defendant alleges that he has neither information nor belief sufficient to enable him to answer said allegations and basing his denial upon that ground denies each and every such allegation and the whole thereof.

II.

Admits the allegations of paragraph II of said complaint.

III.

Answering the allegations of paragraph III of said complaint, this defendant denies each and every allegation therein contained and the whole thereof, except as hereinafter expressly admitted.

Further answering the allegations of paragraph III, this defendant admits and alleges that on or about the 15th day of March, 1940, at the Coronado Hotel in San Diego County, defendant became temporarily overcome by jealousy by reason of plaintiff's admission of improper relations with other men and while in said condition struck plaintiff; that plaintiff's admission so affected defendant as to cause him to lose all control over his actions to such an extent that he does not now remember how many times or in what manner he struck plaintiff, but defendant is informed and believes and therefore admits that plaintiff's eyes were blackened and her right wrist lacerated and that plaintiff did require the services of a physician thereafter.

Defendant further admits and alleges that on the 8th day of August, 1940, defendant, in an argument with plaintiff, slapped her with his open hand, but denies that he attacked plaintiff, or cruelly beat her, or beat her at all at said time.

Defendant admits and alleges that from time to time during the married life of the parties hereto, both defendant and plaintiff have indulged in the use of alcoholic beverages, and that upon some occasions during said period of time, both plaintiff and defendant have indulged in the use of alcoholic beverages to excess.

Defendant alleges that prior to his marriage to the plaintiff herein, the plaintiff had on many occasions entertained persons connected with or employed by the German Government; that during the year 1934 the plaintiff entertained in her home the German Prince Louis Ferdinand, a grandson of the former Kaiser Wilhelm of Germany, and at said time and place, together with her former husband, the Baron Von Romberg, discussed with said Prince Louis Ferdinand the possibility of plaintiff and her then husband obtaining a position of standing and influence in the Government of Germany under Adolf Hitler; that said Prince was entertained

in the home of the plaintiff and her former husband during his stay in Santa Barbara; that during the year 1938 and prior to plaintiff's marriage to defendant, she entertained in her home "Brunninghausen" the German actress Leni Reifenstahl, who at that time was credited in the newspapers of the world with having a very close relationship with Adolf Hitler; that both before and after the death of her former husband, plaintiff entertained in her home other personages connected with the German Government; that prior to the marriage of plaintiff and defendant herein, under the provisions of the German law, plaintiff was a citizen of Germany; that during the year 1933 under said citizenship plaintiff applied for and obtained, at the German Consulate at New York, a German passport for travel in foreign countries; that said German citizenship was retained by plaintiff throughout the succeeding years until her marriage to the defendant herein in August of 1939, when she lost said German citizenship by reason of her marriage to defendant; that also during the period of time prior to her marriage to defendant, the plaintiff acquired and adopted and enjoyed continually the German title of "Baroness Von Romberg"; that plaintiff was very proud of said title and on several occasions caused her picture to be painted and/or published as the Baroness Von Romberg; that on one occasion she caused her picture to be painted and published holding her dog which she had named "Swastika"; that during the period prior to the marriage of plaintiff and defendant, plaintiff maintained in her home "Brunninghausen" a statuary likeness of Adolf Hitler, which said likeness was kept by plaintiff in the library of her said home and was in said home at the time that defendant married the plaintiff and took up residence in said home; that at the time of the construction of her home plaintiff caused a swastika to be constructed and placed in a prominent place in the exterior decorations of said house where it could be readily seen by visitors and others; that

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subsequently and during the month of June, 1940, plaintiff caused this swastika to be removed from its prominent place; that at the time of the marriage of the parties hereto, plaintiff gave to defendant a bracelet upon which a swastika was engraved at her request; that after the marriage of plaintiff and defendant, plaintiff continued to entertain in her said home representatives and officials of the German Government. Particularly during the month of March, 1940, during defendant's absence from the home of the parties hereto, plaintiff arranged with the German Consul in Los Angeles to entertain in her home the Duke Saxe-Coberg-Gotha, a direct representative of the German Government, and his entourage; that the Duke Saxe-Coberg-Gotha is reported by the American Press to have been a direct emissary and an old and trusted friend of Adolf Hitler, engaged on a mission for the German Government at that time; that upon defendant's return to Santa Barbara, plaintiff advised him that she had arranged to entertain said persons and in connection with the entertainment of said persons, the defendant met for the first time the Duke Saxe-Coberg-Gotha and his entourage, and met for the first time the German Consul located in Los Angeles and other officials connected with the German Government; that plaintiff also entertained in her home, at the same time, by her invitation, one Wilhelm Tannenberg and his wife; that Wilhelm Tannenberg is credited by the American Press with being the economic advisor of the German Government at the German Embassy in Washington; that according to the American Press one of his duties is to create "appeasement" sentiment among United States businessmen; that after visiting plaintiff in her home, Dr. and Mrs. Tannenberg departed for Honolulu; that plaintiff became extremely friendly with the Tannenbergs and invited them to spend a weekend as her guests at her home on their return to the United States; that during the month of April or May, upon the return of

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the Tannenbergs to the United States, plaintiff sent a car to Los Angeles for them, brought them to her home, and further entertained them there; that plaintiff's activities were such that at one time on or about the month of April, 1940, she was interrogated by members of the staff of the Federal Bureau of Investigation for pro-German activities.

Defendant is informed and believes and therefore alleges that plaintiff is charging defendant with the conduct set forth in her complaint as part of a deliberate plan to whitewash her own activities and to embarrass defendant.

Defendant admits and alleges that on one or two occasions, in a spirit of levity, he indulged in pranks ostensibly indicating pro-German sentiment; that one of said occasions is referred to in said complaint wherein it is alleged that on or about the 20th day of January, 1940, at Luchow's, defendant placed a Nazi flag on the dining table of the parties. Defendant alleges that another occasion of the same type occurred in the month of January, 1940, when in a rathskeller, both plaintiff and defendant gave the Nazi salute.

Defendant denies that he has ever been or is now actuated by any motive or has entertained or does now entertain any belief in any cause contrary to the Government of the United States or its form of Government, or has rendered any support or aid to any enemy, either actual or potential, of the United States. Defendant alleges specifically that he is, and at all times has been, a loyal citizen of the United States and a loyal supporter of its Government, and against any enemy of that Government, or the form thereof, whoever it may be.

Further answering the allegations of paragraph III of plaintiff's complaint, defendant alleges that if plaintiff has been humiliated or embarrassed, or shunned or avoided, or insulted, or has suffered grievous mental suffering, it has been the result

of her own conduct, and not that of defendant herein.

IV.

Answering the allegations of paragraph IV of said complaint, defendant denies each and every allegation therein contained, except as hereinafter specifically admitted. Defendant admits that he is a man of independent means and is the owner of properties which yield him a substantial annual income. Defendant alleges that both the value of his properties and the income therefrom are subject to fluctuations by reason of market conditions and general business conditions, and therefore defendant is unable to state at this time either the value of his properties or his income therefrom; that the records concerning the cost of the maintenance of the home of the parties hereto have been kept by plaintiff and that defendant has at this time neither information nor belief sufficient to enable him to allege the amount expended by the parties hereto in the maintenance of said home and therefore denies that the sums spent by the parties hereto to make up the standard of living are in excess of $70,000.00, during the married life of plaintiff and defendant, or any other sum whatsoever.

Defendant specifically denies that plaintiff does not have income sufficient to maintain herself in the style of life of the said parties, and in this connection alleges that he is informed and believes and therefore alleges that plaintiff is the owner of property of the approximate value of $1,000,000, derived from her former husband's estate and from other sources, and that she has an income of her own sufficient to maintain herself in the same style and comfort to which she has been accustomed.

AND FOR ANSWER TO "PLAINTIFF'S PURPORTED OTHER AND SECOND AND SEPARATE CAUSE OF ACTION", DEFENDANT ADMITS, DENIES, AND ALLEGES AS FOLLOWS, TO-WIT:

I.

That said purported cause of action does not state facts sufficient to constitute a cause of action against defendant.

II.

That said purported cause of action is uncertain in that it does not appear therefrom that said cause of action is in any respect any different cause of action than that set up by the first cause of action.

III.

That said purported cause of action is uncertain in that it does not appear therefrom what purported conduct upon the part of the defendant it is alleged has been committed against plaintiff, or without the consent of, or against the will of the plaintiff, or without any cause or provocation therefor.

IV.

Further answering the allegations of paragraph I of said purported cause of action, defendant hereby refers to his answer to paragraph I of plaintiff's first cause of action herein, and incorporates said answer herein to the same extent as if set forth in full.

V.

Answering the allegations of paragraph II of said purported cause of action, defendant hereby refers to his answer to paragraph II of plaintiff's first cause of action herein, and incorporates said answer herein to the same extent as if set forth in full.

VI.

Answering the allegations of paragraph III of said purported cause of action, defendant denies each and every allegation therein contained and the whole thereof.

VII.

Answering the allegations of paragraph IV of said purported

cause of action, defendant hereby refers to his answer to paragraph IV of plaintiff's first cause of action herein, and incorporates said answer herein to the same extent as if set forth in full.

AND FOR A SEPARATE AND SECOND AND FURTHER DEFENSE, THIS DEFENDANT ALLEGES:

I.

That after the times mentioned in the plaintiff's complaint wherein it is alleged that defendant struck plaintiff or engaged in the use of alcoholic beverages to excess and before the commencement of this action, the plaintiff, being informed as to the matters therein alleged, freely condoned said alleged cruelty with regard to said striking and with regard to the use of alcoholic beverages and forgave the defendant and freely cohabited with him; that said acts at said time were accompanied by an express agreement to condone and that ever since such condonation the defendant has been a faithful husband to the plaintiff and has constantly treated her with conjugal kindness.

WHEREFORE, defendant prays that plaintiff takes nothing by her said action, but that the same be dismissed and defendant sent hence with his costs.

DATED: This 9th day of December, 1940.

Heaney Price Postel & Parma
Attorneys for Defendant.

HEANEY, PRICE, POSTEL & PARMA
SANTA BARBARA, CALIF.

STATE OF CALIFORNIA)
) ss.
COUNTY OF SANTA BARBARA)

ADOLPH B. SPRECKELS, being first duly sworn, deposes and says:

That he is the defendant in the above entitled action; that he has read the foregoing ANSWER and knows the contents thereof; and that the same is true of his own knowledge, except as to the matters which are therein stated upon his information or belief, and as to those matters he believes it to be true.

Adolph B. Spreckels

Subscribed and sworn to before me
this 9th day of December, 1940.

Notary Public in and for the County
of Santa Barbara, State of California.

HEANEY, PRICE, PCSTEL & PARMA
SANTA BARBARA, CALIF.

Service of the within ANSWER, by receipt of a copy thereof, is hereby admitted this 9th day of December, 1940.

_____

_____
Attorneys for Plaintiff.

BEARDY, PRICE, POSTEL & PARMA
SANTA BARBARA, CALIF.